

**THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID**  
*(Not Valid Without Signature and Certification Seal Within)*

## **Attachment 1**

# **The Lincoln Heights Community Benefit District**

A Landscaping, Security, Programming  
and Maintenance Property Business Improvement District

## **DISTRICT ASSESSMENT ENGINEER'S REPORT**

*Prepared by*  
*Edward V. Henning,*  
*California Registered Professional Engineer # 26549*  
*Edward Henning & Associates*

***SEPTEMBER 5, 2007***

**THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID**

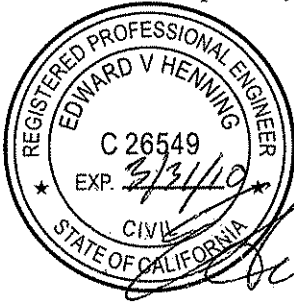
*(Not Valid Without Signature and Certification Seal Within)*

**DISTRICT ASSESSMENT ENGINEER'S REPORT**

To Whom It May Concern:

I hereby certify to the best of my professional knowledge and experience that each of the identified benefiting properties located within the proposed Lincoln Heights Community Benefit District – a Landscaping, Security, Programming and Maintenance Property Business Improvement District (Lincoln Heights LSPM PBID) - will receive a special benefit over and above the benefits conferred on the public at large and that the amount of the proposed assessment is proportional to, and no greater than the benefits conferred on each respective property.

*Prepared by Edward V. Henning, California Registered Professional Engineer # 26549*



Edward V. Henning

RPE #26549

September 5, 2007

Date

*(NOT VALID WITHOUT CERTIFICATION SEAL AND SIGNATURE HERE)*

**Introduction**

This report serves as the “detailed engineer’s report” required by Section 4(b) of Article XIII D of the California Constitution (Proposition 218) to support the benefit property assessments proposed to be levied within the Lincoln Heights LSPM PBID in the City of Los Angeles, California being established for a ten year period. The discussion and analysis contained within constitutes the required “nexus” of rationale between assessment amounts levied and special benefits derived by properties within the Lincoln Heights LSPM PBID.

**NOTE:** The terminology “identified benefiting parcel” or “property” is used throughout this report pursuant to SB 919 - “Proposition 218 Omnibus Implementation Act” which clarified portions of Prop 218. It provides the Engineer and District Consultant with the ability to actually identify individual parcels which will benefit directly either in whole or in part from the proposed District funded programs and improvements and does not imply that all parcels receive assessable benefits.

**THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID**  
*(Not Valid Without Signature and Certification Seal Within)*

**Background**

The Lincoln Heights LSPM PBID is a property-based benefit assessment district being established as a Landscaping, Security, Programming and Maintenance Property Business Improvement District (Alpha BID) pursuant to Chapter 9, Sections 6.600 through 6.620 of Division 6 of the Los Angeles Administrative Code. Due to the benefit assessment nature of assessments levied within an Alpha BID, district program costs are to be distributed amongst all identified benefiting properties based on the proportional amount of program benefit each property is expected to derive from the assessments collected. Within the Alpha BID statute, frequent references are made to the concept of relative “benefit” received from Alpha BID programs and activities versus amount of assessment paid. Only those properties expected to derive special benefits from Alpha BID funded programs and activities may be assessed and only in an amount proportional to the relative benefits expected to be received.

The method used to determine benefits derived by each identified property within an Alpha BID begins with the selection of a suitable and tangible basic benefit unit. For property related services, such as those proposed in the Lincoln Heights LSPM PBID, the benefit unit may be measured in linear feet of primary street frontage or parcel size in square feet or building size in square feet or number of building floors or proximity to major corridors in average linear feet, or any combination of these factors. Quantity takeoffs for each parcel are then measured or otherwise ascertained. From these figures, the amount of benefit units to be assigned to each property can be calculated. Special circumstances such as unique geography, land uses, development constraints etc. are carefully reviewed relative to specific programs and improvements to be funded by the Alpha BID in order to determine any levels of diminished benefit which may apply on a parcel by parcel or categorical basis.

Based on the factors described above such as geography and nature of programs and activities proposed, an assessment formula is developed which is derived from a singular or composite basic benefit unit factor or factors. Within the assessment formula, different factors may be assigned different “weights” or percentage of values based on their relationship to programs/services to be funded.

Next, all program and activity costs, including incidental costs, district administration and ancillary program costs, are estimated. It is noted, as stipulated in Proposition 218, and now required of all property based assessment districts, indirect or general benefits may not be incorporated into the assessment formula and levied on the District properties; only direct or “special” benefits and costs may be considered. Indirect or general benefit costs, if any, must be identified and, if quantifiable, calculated and factored out of the assessment cost basis to produce a “net” cost figure. In addition, Proposition 218 no longer automatically exempts government owned property from being assessed and if special benefit is determined to be conferred upon such properties, they must be assessed in proportion to benefits

**THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID**  
*(Not Valid Without Signature and Certification Seal Within)*

conferred in a manner similar to privately owned property assessments.

From this, the value of a basic benefit unit or “basic net unit cost” can be computed by dividing the total amount of estimated net program costs by the total number of benefit units. The amount of assessment for each parcel can be computed at this time by multiplying the Net Unit Cost times the number of Basic Benefit Units per parcel. This is known as “spreading the assessment” or the “assessment spread” in that all costs are allocated proportionally or “spread” amongst all properties within the Alpha BID.

The method and basis of spreading program costs varies from one Alpha BID to another based on local geographic conditions, types of programs and activities proposed, and size and development complexity of the District. Alpha BIDs may require secondary benefit zones to be identified to allow for a tiered assessment formula for variable or “stepped-down” benefits derived.

**Supplemental Proposition 218 Procedures and Requirements**

Proposition 218, approved by the voters of California in November of 1996, adds a supplemental array of procedures and requirements to be carried out prior to levying a property-based assessment like the Lincoln Heights LSPM PBID. These requirements are in addition to requirements imposed by State and local assessment enabling laws. These requirements were “chaptered” into law as Article XIII D of the California Constitution.

Since Prop 218 provisions will affect all subsequent calculations to be made in the final assessment formula for the Lincoln Heights LSPM PBID, Prop 218 requirements will be taken into account first. The key provisions of Prop 218 along with a description of how the Lincoln Heights LSPM PBID complies with each of these provisions are delineated below.

(Note: All section references below pertain to Article XIII of the California Constitution):

**Finding 1. From Section 4(a): “Identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed”**

All “identified” individual parcels within the Lincoln Heights LSPM PBID will derive special benefit from the proposed District programs and activities. The benefits are special and unique only to the identified properties within the proposed District because programs and services (i.e. street operations, beautification and order; district identity

**THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID**

*(Not Valid Without Signature and Certification Seal Within)*

and streetscape improvements; administration and corporate operations; and contingency/reserves) will only be provided directly for the identified properties. These identified benefiting parcels are shown on the Boundary Map within the Management District Plan and are listed as an attachment to the Plan and this report - identified by assessor parcel number. Three benefit zones have been identified within the Lincoln Heights LSPM PBID.

**Boundary Description**

The following streets define the boundaries of the proposed Lincoln Heights LSPM PBID:

**General Proposed Boundaries:**

- All parcels on both sides of North Broadway running northeast from the Los Angeles Downey Recreation Center to Lincoln Park. Gates Street Elementary School and Lincoln High School, owned by the Los Angeles Unified School District (LAUSD) will be included in a special benefit zone due to the fact that the Los Angeles Unified School district has a fenced in parcel and provides a system of cleanliness and security within the borders of their parcels and attendance is compulsory. The LAUSD parcels along North Broadway will be assessed for their linear frontage along North Broadway only in order to fund the special benefit services for enhanced sidewalk sweeping, graffiti removal, enhanced trash emptying and beautification programs implemented along the Benefit Zone 1 parcels on North Broadway. The parcels surrounding Gates Street Elementary on North Broadway and across the street from Lincoln High School do not have a system of cleanliness, beautification and security due to their private ownership and these property owners have expressed the desire to be included in this special benefits district;
- All parcels within the area bounded by the east side of North Broadway on the east, Interstate 5 (from Pasadena Avenue to North Broadway) on the north, the Los Angeles River on the south and the west side of Pasadena Avenue the west,
- All of the parcels found at the historic Five Points area; (the intersection of Pasadena Avenue, Avenue 26, Daly Street intersection);
- All parcels along the east side of Avenue 26, running northeast from the Five Points intersection, the Lincoln Heights Public Library, inclusive (northeast corner of Workman and Avenue 26); The Lincoln Heights Public Library is included because the City cannot keep up with the intense services required by the increasing commercial traffic in the area needed to maintain the sidewalks and trash. The Library is included since it is an extension of the Five Points commercial corridor and has historically been associated

**THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID**  
*(Not Valid Without Signature and Certification Seal Within)*

with the commercial parcels in Lincoln Heights. The three commercially zoned corners which include the Library site at Avenue 26 and the south side corners of Avenue 26 and Workman Street are included in the district, the northwest corner is not included in the district due to its residential land use and its exclusion from traditional commercial corridors of Lincoln Heights. The houses on the same side of the block as the Library, running north from the Library have not been included due to their residential land use and will not receive special benefits. The single family and residentially zoned parcels on Workman Street from the Library to North Broadway have been exempted from assessments due to the fact that the proposed LSPM PBID is a commercially zoned special benefits district and not one which will deliver special benefit services to the residentially zoned parcels in Lincoln Heights;

- All parcels along Daly Street from the Pasadena Avenue/Avenue 26 intersection to the west side corners of Manitou Avenue two blocks southeast of the Daly Street/North Broadway intersection;
- All parcels along Pasadena Avenue from the north side of the Lincoln Heights Bridge (over the Los Angeles River) to the Five Points intersection, inclusive of all of the parcels fronting on the Five Points intersection;

**Benefit Zones:**

There are three Benefit Zones within the proposed Lincoln Heights LSPM PBID. The Benefit Zones have been created due to the different type and frequency of special benefit services that will be delivered to each of the respective areas. Linear foot frontage will be assessed on all sides of each benefiting parcel except in the parcels owned by the Los Angeles Unified School District (LAUSD), which will be assessed only along the frontage bordering North Broadway and commercially zoned residential units.

**Benefit Zone 1** in general, shall consist of all of the parcels on each side of North Broadway on the northeast side of the Interstate 5 freeway up to Lincoln Park, (excluding the Lincoln High School site). In addition, Benefit Zone 1 parcels shall include those along Daly Street from Manitou Avenue to the Five Points Intersection, inclusive of the Lincoln Heights Library, (Pasadena Avenue, Daly Street and Avenue 26).

**Benefit Zone 2** shall consist of all of the parcels not included in Benefit Zones 1 and 3, including those parcels between Interstate 5 and the Los Angeles River, as well as those not fronting along North Broadway, Daly Street, or the 5 points intersection (in Benefit Zone 1).

**Benefit Zone 3** shall include the parcels owned by the LAUSD (Gates Elementary and Lincoln High School). The LAUSD parcels will be assessed only along the North Broadway frontage since these parcels are fenced in, provide their own security and their own system of cleanliness provided by the LAUSD personnel. Benefit Zone 3 parcels will fund

**THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID**  
*(Not Valid Without Signature and Certification Seal Within)*

enhanced sidewalk sweeping, trash removal, graffiti removal and beautification programs only.

City owned and Los Angeles Unified School District parcels shall not pay for “District Identity” special benefits in the proposed Lincoln Heights LSPM PBID. These parcels are not commercial in nature. The District Identity services are geared to enhance the commercial businesses in the District.

**Single family residential units** built on commercially zoned parcels are assessed as a separate category. These single family residential units and/or condos, if any, will be assessed *for their building square footage only at the rate of \$0.30* per square foot per year, commencing the first year of the district. The rationale for this assessment of building square footage rate only, regardless of Benefit Zone, is provided below.

Single family residential units are assessed differently than multi-unit apartment buildings due to their land use. The multi-unit apartment buildings are commercial properties in which the tenant and landlord have a business relationship. They are required to have a business license to operate in the City of Los Angeles and these residential apartment buildings can be bought or sold just as commercial buildings can be bought and sold.

Single family residential units or individual condo owners have a different relationship in the District as compared to retail or commercial land uses. These are the parcel owners which will use the sidewalks 7 days per week, at odd hours of the day. They will live and may work in the District. Residents will receive benefits from clean and safe special benefit services but not other programs designed to attract and retain businesses.

These single family residential units will be assessed at a building square footage rate only, similar to the fixed rate property variables (lot size, linear frontage and lot size) assessments for non-single family residential units. The main difference is that single family residential unit parcel owners are only assessed for their parcel building square footage, not linear frontage nor lot size. Ground floor commercial or retail condominiums or parcels will be assessed consistent with the assessment methodology used for other commercial parcels

**Finding 2. From Section 4(a): “Separate general benefits (if any) from the special benefits conferred on parcel(s). Only special benefits are assessable. “**

As stipulated by Prop 218, assessment district programs and activities may confer a combination of general and special benefits to properties, but the only program benefits which can be funded through assessments are those attributed to special property related benefits. For the purposes of this analysis, a “general benefit” is hereby defined as: “A benefit to properties in the area and in the surrounding community or benefit to the public in general resulting

**THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID**

*(Not Valid Without Signature and Certification Seal Within)*

from the improvement, activity, or service to be provided by the assessment levied". "Special benefit" as defined by the California State Constitution means a district benefit over and above general benefits conferred on real property located in the district or to the public at large.

In the case of the Lincoln Heights LSPM PBID, the very nature of the purpose of this district is to fund supplemental programs, improvements and services within the Alpha BID boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources. Specifically they include:

*The following category of special benefit services shall only be provided to parcels within the district and whose frequency is determined by their benefit zone.*

**SIDEWALK OPERATIONS AND BEAUTIFICATION:**

**\$ 395,395.00**

Examples of these special benefit services and costs include, but are not limited to:

- ☐ Private security over and above those services currently provided by the Los Angeles Police Department;
- ☐ Regular sidewalk and gutter sweeping,
- ☐ Regular sidewalk steam cleaning
- ☐ Spot steam cleaning as necessary
- ☐ Beautification
- ☐ Enhanced trash emptying
- ☐ Removal of bulky items as necessary
- ☐ Graffiti removal, within 24 hours as necessary
- ☐ Tree and vegetation maintenance
- ☐ Parking assistance;
- ☐ Maintenance personnel and supervisor/oversight costs

*The following category of special benefit services shall only be provided to parcels within the district and whose frequency is determined by their benefit zone. (See Page 26)*

**DISTRICT IDENTITY**

**\$ 53,918.00**

Examples of these special benefit services and costs include, but are not limited to:

- ☐ Special events
- ☐ Marketing and Promotions strategies
- ☐ Holiday decorations
- ☐ Web site development and maintenance
- ☐ Advertising



**THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID**

*(Not Valid Without Signature and Certification Seal Within)*

- ☐ Communications

*The following category of special benefit services shall only be provided to parcels within the district and whose frequency is determined by their benefit zone.*

**ADMINISTRATION AND CORPORATE OPERATIONS:**

**\$ 89,862.00**

Examples of these special benefit services and costs include, but are not limited to:

- ☐ Staff and administrative costs
- ☐ Insurance
- ☐ Office related expenses
- ☐ Financial reporting

*The following category of special benefit services shall only be provided to parcels within the district and whose frequency is determined by their benefit zone.*

**CONTINGENCY/CITY FEES/RESERVE:**

**\$ 59,908.00**

Examples of these special benefit services and costs include, but are not limited to:

- ☐ Delinquencies\*
- ☐ City Fees\*\*
- ☐ Reserves\*\*\*

**\*Reserve for Slow Payments:**

A percent of the budget is held in reserve to offset delinquent and/or slow payment from both public and private properties.

**\*\*City Fees:**

Assessments are budgeted in order to fund the expenses charged by the City of Los Angeles and County of Los Angeles for collection and distribution of LSPM PBID revenue. This line item expense shall be found in the "Contingency/City Fees/Reserve" portion of the budget.

**\*\*\*Reserves:**

Reserves are budgeted for those funds that remain from the 10% set aside, that are over and above those that have not been collected and are over and above the city fees. These reserves shall be carried forward from year to year, or may be reallocated to the designated budgetary categories found within the Management District Plan.

**THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID**

*(Not Valid Without Signature and Certification Seal Within)*

**Ten Year Operating Budget:**

A projected ten-year operating budget for the Lincoln Heights LSPM PBID is shown below. The projections are based upon the following assumptions:

- Assessments will be subject to changes in the Los Angeles County Consumer Price Index (CPI), with annual increases not to exceed 5% per year. Increases will be determined by the Owners Association and in no case shall annual increases exceed 5% per year, nor shall they exceed the actual CPI increase in a given year.

***Ten Year Projected Operating Budget for the Lincoln Heights LSPM PBID***

Projected Budget	2009	2010	2011	2012	2013
Public Rights of Way & Sidewalk Operations/Beautification	\$395,395.00	\$415,164.75	\$435,922.99	\$457,719.14	\$480,605.09
District Identity & Streetscape Improvements	\$53,918.00	\$56,613.90	\$59,444.60	\$62,416.82	\$65,537.67
Administrative/Corporate Operations	\$89,862.00	\$94,355.10	\$99,072.86	\$104,026.50	\$109,227.82
Contingency/Reserve	\$59,908.00	\$62,903.40	\$66,048.57	\$69,351.00	\$72,818.55
<b>Total</b>	<b>\$599,083.00</b>	<b>\$629,037.15</b>	<b>\$660,489.01</b>	<b>\$693,513.46</b>	<b>\$728,189.13</b>

Projected Budget	2014	2015	2016	2017	2018
Public Rights of Way & Sidewalk Operations/Beautification	\$504,635.35	\$529,867.12	\$556,360.47	\$584,178.50	\$613,387.42
District Identity & Streetscape Improvements	\$68,814.55	\$72,255.28	\$75,868.04	\$79,661.44	\$83,644.51
Administrative/Corporate Operations	\$114,689.21	\$120,423.67	\$126,444.86	\$132,767.10	\$139,405.46
Contingency/Reserve	\$76,459.48	\$80,282.45	\$84,296.57	\$88,511.40	\$92,936.97
<b>Total</b>	<b>\$764,598.59</b>	<b>\$802,828.52</b>	<b>\$842,969.94</b>	<b>\$885,118.44</b>	<b>\$929,374.36</b>

**THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID***(Not Valid Without Signature and Certification Seal Within)***FREQUENCY OF SERVICES**

<i>Special Benefit Service</i>	<i>Benefit Zone 1 Frequency</i>	<i>Benefit Zone 2 Frequency</i>	<i>Benefit Zone 3 Frequency</i>
Private Security	As Determined by Management Corporation	As Determined by Management Corporation	As Determined by Management Corporation
Regular sidewalk sweeping	6 days per week	4 days per week	6 days per week
Steam cleaning	Quarterly	Twice per year	Quarterly
Beautification	Landscaping and hanging plants along North Broadway	Not provided until build out of residential	To be determined
Enhanced trash emptying	6 days per week	4 times per week	6 days per week
Removal of bulky items	As needed	As needed	As needed
Graffiti removal within 24 hours	As needed	As needed	As needed
Tree maintenance	As needed	As needed	As needed
Parking assistance	As needed	As needed, particularly on the weekends	Not applicable
Special events	Seasonally	Based upon needs of specific land uses	Not applicable
Holiday decorations	Seasonally	Seasonally	Seasonally
Marketing and Promotions	As needed	Not applicable	Not applicable
Advertising	As determined	Not applicable	Not applicable
Administration	Ongoing oversight	Ongoing oversight	Ongoing oversight

There are three benefit zones within the proposed new district. The Benefit Zones have been created based on the different type and frequency of special benefits that will be conferred on each zone.

Each of these programs and activities work together to create a more pleasing environment within the district that is conducive to strengthening the current and future economic vitality of the commercial corridor through the attraction and retention of new business and increased commerce. The programs, improvements and services are designed to specifically benefit the assessed properties within the Alpha BID boundaries. The proposed Alpha BID assessments will only be levied on properties within the Alpha BID boundaries that specially benefit from Alpha BID services, improvements and activities. Assessment revenues will be spent to deliver services that provide a direct and special benefit to assessed parcels and to improve the economic vitality of these properties. Inasmuch as no services will be provided beyond the Alpha BID boundaries to the surrounding communities or to the public in general, any general benefits are unintentional. It is hereby determined that general benefits, if any, are not quantifiable, measurable, or tangible.

**THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID**

*(Not Valid Without Signature and Certification Seal Within)*

**Finding 3.** From Section 4(a): “(Determine) the proportionate special benefit derived by each parcel in relationship to the entirety of the.....cost of public improvement(s) or the maintenance and operation expenses.....or the cost of the property related service being provided.

The proportionate special benefit cost for each parcel is listed in Addendum 1 attached hereto. The individual percentages (i.e. proportionate relationship to the total special benefit related program and activity costs) would be computed by dividing the individual parcel assessment by the total special benefit program costs.

**Finding 4.** From Section 4(a): “No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

Not only are the proposed program costs reasonable due to the benefit of group purchasing and contracting which would be possible through the Lincoln Heights LSPM PBID, they are also considerably less than other options considered by the formation steering committee. The actual assessment rates for each parcel within the Alpha BID directly relate to the level of service to be provided within the benefit zones and the respective numerics for each parcel (i.e. lot size, building size and/or street frontage).

**Finding 5.** From Section 4(a): “Parcels.....that are owned or used by any (public) agency shall not be exempt from assessment.....”

There are several publicly owned properties currently within the proposed District. Lincoln Heights LSPM PBID Management District Plan assumes that the City of Los Angeles and other government entities will pay assessments for the public property within the boundaries of the District. Article XIII D, Sec 4 of the California Constitution was added in November of 1996 to provide for these payments.

Parcels owned by government entities shall receive benefits, commensurate with the assessments paid into the Lincoln Heights LSPM PBID. The publicly owned parcels are presumed to benefit equally to the privately owned parcels, consistent with their location within their respective benefit zones. Each of these properties is physically and geographically integral to the culture and commerce of this business neighborhood. There is no conclusive evidence that these parcels would not receive special benefit from the programs, services and improvements proposed to be funded via District assessments.

The City is a major property owner in the proposed district. The City parcels will be deriving special benefits since the peripheral cleaning of parking lots will attract more pedestrian traffic which creates for additional parking revenue for the

**THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID***(Not Valid Without Signature and Certification Seal Within)*

city. The additional parking revenues will yield greater sales tax revenues which will in turn provide greater economic prosperity for the City. In addition, the current base level of services that exists in and around the City parcels is lacking consistency and the new proposed special benefits district will ensure a system of cleanliness, order and reduction of criminal activity around many of these vacant or underutilized City owned parcels. Only special benefits can be assessed and the payment by the City into the Lincoln Heights LSPM PBID will convey a cleaner, more attractive and inviting parking experience to visitors to the shopping areas. In addition, the peripheral cleaning of the City owned parking lots will contribute to the generation of parking meter revenues. They are as follows:

***Government Owned Parcels in the proposed Lincoln Heights CBD/LSPMPBID***

Legal Owner	Benefit Zone	APN	Site #	Street Name	Assessment	Percent
L A CITY	1	5204 004 901	154	South Avenue 24	\$ 2,773.23	0.46%
L A CITY	1	5204 005 901	216	South Avenue 24	\$ 2,893.80	0.48%
L A CITY	1	5204 006 900		South Avenue 22	\$ 2,320.50	0.39%
L A CITY	1	5204 011 903		Daly Street	\$ 21,661.64	3.62%
L A CITY	1	5204 012 900		Daly Street	\$ 1,337.70	0.22%
L A CITY	1	5204 014 900		Workman Street	\$ 6,193.10	1.03%
L A CITY	1	5204 015 901	2416	Workman Street	\$ 2,411.50	0.40%
L A CITY	1	5204 016 900		Workman Street	\$ 964.60	0.16%
L A CITY	1	5204 016 901		Workman Street	\$ 964.60	0.16%
L A CITY	1	5208 031 900		North Broadway	\$ 1,280.67	0.21%
L A CITY	2	5204 002 900		Pasadena Avenue	\$ 1,815.17	0.30%
L A CITY	2	5447 015 901	140	North Avenue 19	\$ 14,095.54	2.35%
L A CITY	2	5447 018 900	1831	Pasadena Avenue	\$ 3,129.00	0.52%
L A CITY	2	5447 018 901		19th Avenue	\$ 2,100.28	0.35%
L A CITY	2	5447 020 900		North Broadway	\$ 1,076.14	0.18%
L A CITY	2	5447 020 901	1771	North Spring Street	\$ 4,523.40	0.76%
L A CITY	2	5447 026 900		North Spring Street	\$ 4,971.81	0.83%
L A CITY	2	5447 026 901	219	South Avenue 18	\$ 543.27	0.09%
L A CITY	2	5447 026 902	223	South Avenue 18	\$ 543.27	0.09%
<b>TOTAL</b>					<b>\$ 75,599.22</b>	<b>12.62%</b>

**THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID***(Not Valid Without Signature and Certification Seal Within)*

L A CITY DEPT OF WATER & POWER	1	5204 004 900		Daly Street	\$ 662.03	0.11%
-----------------------------------	---	--------------	--	-------------	-----------	-------

L A UNIFIED SCHOOL DIST	3	5208 011 901	3333	Manitou Avenue	\$ 610.00	0.10%
L A UNIFIED SCHOOL DIST	3	5208 011 902	3333	Manitou Avenue	\$ 550.00	0.09%
L A UNIFIED SCHOOL DIST	3	5208 011 903	3333	Manitou Avenue	\$ 550.00	0.09%
L A UNIFIED SCHOOL DIST	3	5208 011 904	3333	Manitou Avenue	\$ 550.00	0.09%
L A UNIFIED SCHOOL DIST	3	5208 011 905	3333	Manitou Avenue	\$ 560.00	0.09%
L A UNIFIED SCHOOL DIST	3	5208 026 903	3501	North Broadway	\$ 7,010.00	1.17%
<b>TOTAL</b>					<b>\$ 9,830.00</b>	<b>1.64%</b>

**Finding 6.** From Section 4(b): “All assessments must be supported by a detailed engineer’s report prepared by a registered professional engineer certified by the State of California”.

This report serves as the “detailed engineer’s report” to support the benefit property assessments proposed to be levied within the Lincoln Heights LSPM PBID.

**Finding 7.** From Section 4(c): “The amount of the proposed assessment for each parcel shall be calculated (along with) the total amount thereof chargeable to the entire district, the duration of such payments, the reason for such assessment and the basis upon which the amount of the proposed assessment was calculated.”

The individual and total parcel assessments attributable to special property benefits are shown on Appendix A to the Management District Plan. The District and resultant assessment payments will continue for ten years and may be renewed again at that time. The reasons (purposes) for the proposed assessments are outlined in Finding 2 above as well as in the Management District Plan. The calculation basis of the proposed assessment in Zones 1 and 2 is attributed to the specific amount of street frontage, property square footage, and building square footage while

**THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID***(Not Valid Without Signature and Certification Seal Within)*

assessments in Zone 3 are based only on street frontage. The basis for residential uses/condos is based on building square feet per unit. There are three (3) Benefit Zones identified.

**Assessment Formula Methodology****Step 1. Select “Basic Benefit Unit(s)”**

Alpha BID assessment formulas typically are based on either property street frontage or parcel and building size or location, all which relate to the amount of special benefit conferred on a particular parcel and the proportionate assessment to be paid. The formula may base assessments on a single factor or a combination of factors.

The specific nature of the program activities to be funded by the Lincoln Heights LSPM PBID (i.e. street operations, beautification and order; district identity and streetscape improvements; administration and corporate operations; and contingency/reserves) relate directly to the proportionate amount of street frontage, land area, and building area.

The “Basic Benefit Units” will be expressed as a function of street frontage (Benefit Unit “A”), land square footage (Benefit Unit “B”), and building square footage (Benefit Unit “C”). Based on the shape of the Lincoln Heights LSPM PBID, as well as the nature of the District program elements, it is determined that all properties will gain a direct and proportionate degree of benefit based either on the respective amount of street frontage, parcel size, and building size within Zones 1 and 2 and on street frontage in Zone 3. SFR/Condo assessments will be based on building square feet per dwelling unit due to the limited benefit derived by this land use.

**Step 2. Quantify Total Basic Benefit Units**

Taking into account all identified benefiting properties, the respective assessable benefit units are listed below:

<i>Benefit Zone</i>	<i>Linear Frontage Total</i>	<i>Lot Square Footage Total</i>	<i>Building Square Footage Total</i>	<i>Single Family Resident Parcels Number of Units</i>
1	20,048 linear feet	1,902,261 sq. ft.	929,889 sq. ft.	
2	16,792 linear feet	1,778,144 sq. ft.	742,968 sq. ft.	3
3	983 linear feet	0		
Total	37,823 linear feet	3,680,406 sq. ft.	1,672,857 sq. ft.	3

**THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID**

*(Not Valid Without Signature and Certification Seal Within)*

**Step 3. Calculate Benefit Units for Each Property.**

The number of Benefit Units for each identified benefiting parcel within the Lincoln Heights LSPM PBID was computed from data extracted from City of Los Angeles City Clerk land records as well as County of Los Angeles Assessor records and maps. These data sources delineate current land uses, property areas and dimensions of record for each tax parcel. While it is understood that this data does not represent legal field survey measurements or detailed title search of recorded land subdivision maps or building records, it does provide an acceptable basis for the purpose of calculating property based assessments. All respective property data being used for assessment computations will be provided to each property owner in the Alpha BID for their review. All known or reported discrepancies, errors or misinformation will be corrected.

**Step 4. Determine Assessment Formula**

The Lincoln Heights LSPM PBID assessment is to be based on a combination of up to three Basic Benefit Unit factors; street frontage (Benefit "A" Unit), parcel size (Benefit "B" Units), and building size (Benefit "C" Units), within three (3) Benefit Zones. It has been determined, based on rough program service costs allocations, that the assessments should be levied approximately 70% (72.3% actual) on Zone 1, approximately 28% (26.1% actual) on Zone 2 and approximately 2% (1.6% actual) on Zone 3. SFR/Condo assessments will be based on the building square footage per dwelling unit (Benefit "C-SFR" Units) due to the limited benefit derived by this land use.

**Assessment Formula Factors:**

**Zone 1**

(Benefit Unit "1-A") =  $\$599,083 \times 33.2\% / 20,048 \text{ units} = \$10.00/\text{unit}$

(Benefit Unit "1-B") =  $\$599,083 \times 31.5\% / 1,902,261 \text{ units} = \$0.10/\text{unit}$

(Benefit Unit "1-C") =  $\$599,083 \times 7.6\% / 929,889 \text{ units} = \$0.05/\text{unit}$

**Zone 2**

(Benefit Unit "2-A") =  $\$599,083 \times 14\% / 16,792 \text{ units} = \$5.00/\text{unit}$

(Benefit Unit "2-B") =  $\$599,083 \times 8.7\% / 1,778,144 \text{ units} = \$0.03/\text{unit}$

(Benefit Unit "2-C") =  $\$599,083 \times 3.4\% / 742,968 \text{ units} = \$0.03/\text{unit}$

**Zone 3**

(Benefit Unit "3-A") =  $\$599,083 \times 1.6\% / 983 \text{ units} = \$10.00/\text{unit}$

**SFR/Condos on Commercially Zoned Parcels**

While there are currently only 3 single family units within the proposed District, an assessment formula factor needs to be developed that fairly and equitably assesses future development for this trendy business district land



**THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID***(Not Valid Without Signature and Certification Seal Within)*

use. While the types of services that benefit single family residential uses relate more to linear street frontages, this is not a viable way to assess future residential condominium developments which are built more along height and depth dimensions as well as density in allowable units per acre. A more viable basis of assessment would be the SRF unit building area in square feet. Thus for this land use, the assessment formula will be based on building square feet using the following logic:

The basic SFR parcel is currently 33 feet wide; if the linear rate of \$10/lin ft (per Zones 1 and 3) is used, the annual assessment would be  $\$10 \times 33 \text{ ft} = \$333$  per SFR unit. Since SFR uses will not benefit from image enhancement programs (9% of the budget), the SFR uses should only be assessed for the remaining 91% of the budget or  $91\% \times \$333 = \text{about } \$300$  per unit. For an average sized SFR unit of 1000 sq ft, this would equate to \$0.30 per sq ft of building space. This produces a benefit unit assessment that will vary based on SFR unit building area in square feet.

**Zones 1, 2, 3**

Benefit "C-SFR" Units = \$0.30/unit (see discussion above)

**Step 5. Estimate Total District Costs**

The total District costs are shown below:

**Total Year 1 District Costs**

PROGRAM OR ACTIVITY FUNDED BY LINCOLN HEIGHTS BUSINESS AND COMMUNITY BENEFIT DISTRICT	APPROXIMATE% OF FIRST YEAR ANNUAL BUDGET	ESTIMATED ANNUAL COSTS (FIRST YEAR)
Sidewalk Operations and Beautification	66%	\$ 395,395.00
District Identity	9%	\$ 53,918.00
Administration/Corporate Operations	15%	\$ 89,862.00
Contingency/City Fees/Reserves	10%	\$ 59,908.00
<i>TOTAL</i>	<i>100%</i>	<i>\$ 599,083.00</i>

**THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID***(Not Valid Without Signature and Certification Seal Within)***Step 6. Separate General Benefits from Special Benefits and Related Costs (Prop 218)**

All general benefits (if any) are intangible and unquantifiable. All benefits derived from the assessments outlined in the Management District Plan are for services directly benefiting the property owners within this area and support increased commerce. All decorations, promotions, maintenance, and professional and administration services are provided solely to properties within the district to enhance the image and value of the properties and businesses within the Lincoln Heights LSPM PBID. No services are delivered outside the boundaries. Any potential spill over effect is unquantifiable. Total District revenues are shown below.

**Total Year 1 District Revenues**

<b>Funding Source</b>	<b>Subtotal Revenue</b>	<b>% of Total</b>
Alpha BID Assessments	\$ 599,083.00	100.00%
<b>TOTAL DISTRICT REVENUE</b>	<b>\$ 599,083.00</b>	<b>100.00%</b>

**Step 7. Calculate "Basic Unit Cost"**

With a Year 1 budget of \$599,083 (special benefit only), the Basic Unit Costs ("A", "B" and/or "C") are shown above in Step 4. Since the Alpha BID is planned for a ten year term, maximum assessments for future years (Years 2 through 10) must be set at the inception of the Alpha BID. An annual inflationary CPI based rate increase of up to 5% may be imposed for Years 2-10, on approval by the Alpha BID Property Owner's Association. The maximum annual rates for Years 1-10 are as follows:

**Year 1-10 Maximum Assessment Rates****ZONE 1**

<b>Projected Assessments</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Linear Feet</b>	\$10.00	\$10.50	\$11.03	\$11.58	\$12.16
<b>Lot SF</b>	\$0.10	\$0.11	\$0.11	\$0.12	\$0.12
<b>Bldg SF</b>	\$0.05	\$0.05	\$0.06	\$0.06	\$0.06
<b>Single Family Residential Unit</b>	\$0.30	\$0.32	\$0.33	\$0.35	\$0.36
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Linear Feet</b>	\$12.76	\$13.40	\$14.07	\$14.77	\$15.51
<b>Lot SF</b>	\$0.13	\$0.13	\$0.14	\$0.15	\$0.16
<b>Bldg SF</b>	\$0.06	\$0.07	\$0.07	\$0.07	\$0.08
<b>Single Family Residential Unit</b>	\$0.38	\$0.40	\$0.42	\$0.44	\$0.47

**THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID***(Not Valid Without Signature and Certification Seal Within)***ZONE 2**

Projected Assessments	2009	2010	2011	2012	2013
Linear Feet	\$5.00	\$5.25	\$5.51	\$5.79	\$6.08
Lot SF	\$0.03	\$0.03	\$0.03	\$0.03	\$0.04
Bldg SF	\$0.03	\$0.03	\$0.03	\$0.03	\$0.04
Single Family Residential Unit	\$0.30	\$0.32	\$0.33	\$0.35	\$0.36

	2014	2015	2016	2017	2018
Linear Feet	\$6.08	\$6.38	\$6.70	\$7.04	\$7.39
Lot SF	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04
Bldg SF	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04
Single Family Residential Unit	\$0.38	\$0.40	\$0.42	\$0.44	\$0.47

**ZONE 3**

Projected Assessments	2009	2010	2011	2012	2013
Linear Feet	\$10.00	\$10.50	\$11.03	\$11.58	\$12.16
Lot SF	0	0	0	0	0
Bldg SF	0	0	0	0	0
Single Family Residential Unit	0	0	0	0	0

	2014	2015	2016	2017	2018
Linear Feet	\$12.76	\$13.40	\$14.07	\$14.77	\$15.51
Lot SF	0	0	0	0	0
Bldg SF	0	0	0	0	0
Single Family Residential Unit	0	0	0	0	0

**Step 8. Spread the Assessments**

The resultant assessment spread calculations for each parcel within the Alpha BID are shown in Addendum 1 attached hereto and were determined by applying the District assessment formula to each identified benefiting property.

**THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID***(Not Valid Without Signature and Certification Seal Within)*

# ADDENDUM 1

## YEAR 1 ASSESSMENT ROLL

APN ASSM'T	YR 1 ASSM'T	APN	YR 1 ASSM'T	APN	YR 1
5204 001 001	\$3,441.90	5204 004 016	\$758.60	5204 011 006	\$2,823.00
5204 001 002	\$1,615.40	5204 004 017	\$772.15	5204 011 903	\$21,661.64
5204 001 003	\$1,796.45	5204 004 803	\$11,865.00	5204 012 002	\$1,685.50
5204 001 004	\$1,643.00	5204 004 900	\$662.03	5204 012 003	\$1,740.75
5204 001 005	\$763.00	5204 004 901	\$2,773.23	5204 012 004	\$3,973.25
5204 002 013	\$690.80	5204 005 003	\$3,450.00	5204 012 010	\$1,322.00
5204 002 014	\$0.00	5204 005 004	\$1,622.20	5204 012 012	\$1,588.85
5204 002 015	\$770.87	5204 005 005	\$1,640.25	5204 012 014	\$1,826.55
5204 002 016	\$0.00	5204 005 006	\$1,300.00	5204 012 018	\$1,696.40
5204 002 018	\$0.00	5204 005 007	\$600.00	5204 012 019	\$8,153.80
5204 002 019	\$555.10	5204 005 009	\$1,590.00	5204 012 900	\$1,337.70
5204 002 029	\$1,654.75	5204 005 011	\$1,384.90	5204 013 001	\$3,585.25
5204 002 030	\$1,455.00	5204 005 014	\$1,325.00	5204 013 002	\$1,296.10
5204 002 034	\$231.33	5204 005 015	\$1,060.00	5204 013 003	\$1,424.15
5204 002 036	\$2,922.65	5204 005 022	\$1,418.90	5204 013 004	\$1,432.80
5204 002 038	\$3,978.30	5204 005 032	\$2,672.85	5204 013 005	\$1,322.70
5204 002 900	\$1,815.17	5204 005 034	\$4,428.45	5204 013 006	\$1,483.25
5204 003 014	\$5,262.17	5204 005 036	\$2,293.70	5204 013 007	\$2,936.90
5204 003 020	\$14,756.29	5204 005 901	\$2,893.80	5204 013 017	\$5,262.80
5204 003 022	\$2,825.60	5204 006 001	\$4,287.00	5204 013 801	\$51.00
5204 003 800	\$1,590.00	5204 006 002	\$2,753.80	5204 013 802	\$1,249.55
5204 004 001	\$3,490.75	5204 006 007	\$4,905.00	5204 014 900	\$6,193.10
5204 004 002	\$1,956.10	5204 006 008	\$1,374.25	5204 015 001	\$2,015.40
5204 004 003	\$692.10	5204 006 034	\$6,490.30	5204 015 002	\$1,905.05
5204 004 004	\$275.00	5204 006 900	\$2,320.50	5204 015 003	\$1,294.00
5204 004 005	\$558.05	5204 011 001	\$5,406.65	5204 015 004	\$1,501.50
5204 004 006	\$1,132.75	5204 011 002	\$1,568.15	5204 015 005	\$1,507.15
5204 004 013	\$2,919.25	5204 011 003	\$1,774.15	5204 015 006	\$1,473.10
5204 004 014	\$1,705.20	5204 011 004	\$1,853.50	5204 015 007	\$3,870.50
5204 004 015	\$2,341.65	5204 011 005	\$33.00	5204 015 901	\$2,411.50

# Edward Henning & Associates

## URBAN REVITALIZATION • FUNDING

### THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID

*(Not Valid Without Signature and Certification Seal Within)*

5204 016 001	\$4,500.25	5205 024 013	\$502.00	5447 012 019	\$3,462.31
5204 016 002	\$3,772.10	5208 003 002	\$1,665.60	5447 014 001	\$867.98
5204 016 003	\$1,400.30	5208 003 006	\$3,102.50	5447 014 002	\$374.90
5204 016 004	\$3,889.00	5208 003 025	\$4,510.00	5447 014 003	\$498.04
5204 016 005	\$1,340.00	5208 003 026	\$2,533.00	5447 014 004	\$432.40
5204 016 900	\$964.60	5208 004 002	\$1,452.00	5447 014 009	\$508.60
5204 016 901	\$964.60	5208 004 003	\$1,528.50	5447 014 010	\$752.65
5204 020 002	\$2,424.50	5208 004 004	\$1,125.00	5447 014 011	\$467.65
5204 020 003	\$7,853.90	5208 004 005	\$2,952.00	5447 014 012	\$902.11
5204 020 022	\$6,049.85	5208 004 027	\$5,159.00	5447 014 013	\$902.11
5204 021 003	\$1,448.90	5208 005 003	\$1,573.50	5447 014 020	\$598.96
5204 021 004	\$1,485.35	5208 005 004	\$1,347.65	5447 014 023	\$453.55
5204 021 005	\$1,462.95	5208 005 005	\$2,352.45	5447 014 024	\$598.87
5204 021 006	\$1,997.15	5208 005 025	\$5,299.50	5447 014 025	\$1,057.00
5204 021 029	\$4,284.65	5208 006 001	\$2,703.95	5447 014 026	\$804.65
5204 023 002	\$1,394.20	5208 006 002	\$1,442.00	5447 014 027	\$453.55
5204 023 003	\$1,932.95	5208 006 003	\$1,250.00	5447 014 028	\$453.55
5204 023 004	\$1,772.50	5208 006 033	\$5,967.35	5447 014 036	\$1,721.01
5204 023 025	\$4,208.00	5208 009 006	\$3,494.05	5447 014 037	\$1,093.49
5204 023 026	\$2,716.40	5208 009 023	\$4,358.00	5447 014 038	\$1,403.21
5204 024 001	\$3,896.00	5208 009 024	\$4,032.40	5447 014 040	\$1,644.83
5204 024 003	\$1,620.75	5208 010 002	\$1,463.10	5447 015 901	\$14,095.54
5204 024 004	\$2,393.00	5208 010 003	\$1,656.75	5447 018 002	\$2,210.21
5204 024 005	\$4,129.30	5208 010 004	\$1,623.50	5447 018 003	\$4,041.35
5205 020 003	\$967.80	5208 010 005	\$3,155.00	5447 018 004	\$2,536.34
5205 020 004	\$905.45	5208 010 025	\$3,209.45	5447 018 800	\$457.49
5205 020 005	\$5,304.75	5208 011 008	\$3,043.10	5447 018 900	\$3,129.00
5205 020 028	\$959.00	5208 011 901	\$610.00	5447 018 901	\$2,100.28
5205 020 029	\$1,056.00	5208 011 902	\$550.00	5447 019 001	\$353.50
5205 020 030	\$2,361.25	5208 011 903	\$550.00	5447 019 002	\$470.20
5205 020 032	\$3,676.25	5208 011 904	\$550.00	5447 019 003	\$400.00
5205 021 001	\$2,559.50	5208 011 905	\$560.00	5447 019 004	\$426.25
5205 021 002	\$5,284.10	5208 012 001	\$2,986.90	5447 019 005	\$3,789.28
5205 021 003	\$1,182.20	5208 012 002	\$1,684.95	5447 019 007	\$150.72
5205 021 004	\$1,203.10	5208 012 003	\$1,425.25	5447 019 008	\$2,358.47
5205 022 002	\$1,713.80	5208 012 004	\$1,364.50	5447 020 006	\$7,355.27
5205 022 003	\$1,160.00	5208 012 005	\$1,364.50	5447 020 900	\$1,076.14
5205 022 004	\$1,190.00	5208 012 006	\$2,844.50	5447 020 901	\$4,523.40
5205 022 005	\$2,744.95	5208 026 903	\$7,010.00	5447 021 001	\$1,571.85
5205 022 012	\$1,132.60	5208 030 001	\$1,375.60	5447 021 002	\$398.40
5205 022 031	\$1,316.00	5208 030 002	\$1,401.10	5447 021 016	\$398.00
5205 022 032	\$2,895.00	5208 030 003	\$1,871.20	5447 021 018	\$596.00
5205 023 003	\$708.02	5208 030 017	\$1,458.10	5447 021 019	\$625.80
5205 023 004	\$1,133.54	5208 030 018	\$1,826.10	5447 021 022	\$4,790.57
5205 023 043	\$1,250.95	5208 030 019	\$1,883.40	5447 021 023	\$1,244.66
5205 023 045	\$1,068.90	5208 031 002	\$1,603.20	5447 021 026	\$795.00
5205 023 046	\$430.76	5208 031 032	\$3,179.25	5447 021 027	\$1,596.00
5205 024 001	\$1,269.35	5208 031 034	\$6,469.55	5447 021 028	\$5,766.57
5205 024 003	\$665.13	5208 031 900	\$1,280.73	5447 022 002	\$519.20
5205 024 009	\$916.41	5447 012 015	\$1,343.25	5447 022 003	\$642.95

## Edward Henning & Associates

### URBAN REVITALIZATION • FUNDING

#### **THE LINCOLN HEIGHTS COMMUNITY BENEFIT DISTRICT - LSPMPBID**

*(Not Valid Without Signature and Certification Seal Within)*

5447 022 004	\$747.41	5447 024 001	\$1,259.20	5447 025 007	\$395.84
5447 022 005	\$1,276.48	5447 024 002	\$519.20	5447 025 008	\$277.72
5447 022 007	\$398.00	5447 024 003	\$377.60	5447 025 009	\$599.12
5447 022 009	\$398.00	5447 024 004	\$141.60	5447 025 010	\$1,386.19
5447 022 010	\$398.00	5447 024 005	\$609.20	5447 026 001	\$1,882.18
5447 022 019	\$573.60	5447 024 006	\$519.20	5447 026 002	\$758.63
5447 022 022	\$927.96	5447 024 007	\$1,349.95	5447 026 021	\$519.20
5447 022 023	\$622.15	5447 024 008	\$597.00	5447 026 900	\$4,971.81
5447 022 027	\$6,049.98	5447 024 029	\$1,514.95	5447 026 901	\$543.27
5447 022 028	\$1,566.00	5447 024 030	\$1,534.10	5447 026 902	\$543.27
5447 022 030	\$3,201.12	5447 025 001	\$816.56	5447 027 004	\$156.81
5447 023 010	\$2,201.71	5447 025 004	\$450.60	5447 027 008	\$2,307.13
5447 023 018	\$1,752.05	5447 025 005	\$246.40		
5447 023 019	\$5,437.77	5447 025 006	\$596.26		

**ORDINANCE NO. \_\_\_\_\_**

An Ordinance of Intention to establish a Landscaping, Security, Programming and Maintenance Property Business Improvement District to be known as the **Lincoln Heights Business and Community Benefit District** (District) pursuant to the provisions of the City's Landscaping, Security, Programming and Maintenance District Ordinance (Division 6, Chapter 9, Los Angeles Administrative Code).

**WHEREAS**, the Landscaping, Security, Programming and Maintenance District Ordinance authorizes the establishment of Landscaping, Security, Programming and Maintenance Property Business Improvement Districts within specifically defined commercial districts of the City located within "special economic incentive zones" and the levying of assessments on real property within the districts to pay for improvements, maintenance and activities within the districts; and

**WHEREAS**, the proposed District is a commercial district located entirely within census tracts with a poverty level of 20% or higher according to the 2000 census; and

**WHEREAS**, property owners within the District, who will pay more than 30 percent of the total assessments proposed to be levied, filed written petitions requesting the City Council to establish a district.

**NOW, THEREFORE,**

**THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:**

Section 1. DECLARATION. Pursuant to the provisions of the Landscaping, Security, Programming and Maintenance District Ordinance, the City Council hereby declares its intention to establish a Landscaping, Security, Programming and Maintenance Property Business Improvement District to be known as the Lincoln Heights Business and Community Benefit District (District).

Sec. 2. ADOPTION OF ENGINEER'S REPORT, MANAGEMENT DISTRICT PLAN AND PRELIMINARY REPORT OF THE CITY CLERK. The City Council hereby adopts, approves and confirms the Engineer's Report, the Management District Plan, and the Preliminary Report of the City Clerk, all of which are included in Council File No. 02-2769.

Sec. 3. PARCELS WITHIN THE DISTRICT. The City Council hereby reaffirms its finding that all parcels, which will have a special benefit conferred upon them and upon which an assessment will be imposed, are identified in the Management District Plan.

Sec. 4. PROPORTIONAL BENEFIT. The City Council hereby reaffirms that the assessment proposed to be imposed on each parcel does not exceed the reasonable cost of the proportional benefit conferred on that parcel.

Sec. 5. SEPARATION OF GENERAL AND SPECIAL BENEFITS. The City Council hereby reaffirms that it has separated the general benefits, if any, from the special benefits conferred on each parcel.

Sec. 6. ASSESSMENTS SUPPORTED BY ENGINEER'S REPORT. The City Council hereby reaffirms that all proposed assessments are supported by a detailed Engineer's Report prepared by a registered professional engineer certified by the state of California.

Sec. 7. DISTRICT BOUNDARIES. The City Council hereby declares that the boundaries of the proposed District are as described and illustrated in the Management District Plan and the Preliminary Report of the City Clerk. A description of the proposed District boundaries is as follows: In general, the boundaries include all of the commercial and public parcels located on the major commercial corridors within the Lincoln Heights area of northeast Los Angeles. These primarily include: Spring Street and North Broadway beginning at the eastern edge of the Los Angeles river, running east under the Interstate 5 Freeway to Lincoln Park Avenue and along Pasadena Avenue beginning at the river, running east under the Interstate 5 Freeway to Workman Street and all of the north-to-south commercial corridors that cross between North Broadway and Pasadena Avenue in this area.

Sec. 8. IMPROVEMENTS AND ACTIVITIES. The City Council hereby declares that the proposed levy of assessments is to fund the improvements and activities detailed in the Management District Plan. They include, but are not limited to: security, maintenance, district identity and administration.

Sec. 9. ANNUAL ASSESSMENT AND DURATION. The proposed District's total annual assessment for the first year is estimated to be \$599,083.00. The annual assessment for subsequent years may be adjusted based upon the Consumer Price Index for the Los Angeles region or by a flat percentage rate, not to exceed five percent (5%) of the previous year's assessment. The annual assessment shall be levied for a period of ten (10) years, which is the proposed duration of the District and the period during which the improvements and activities will be provided.

Sec. 10. BASIS FOR CALCULATING ASSESSMENTS. The proposed annual assessment for each property is based upon an allocation of program costs by benefit zones and a calculation of assessable linear street front footage, lot square footage and building square footage. A full and complete description of the basis upon which the proposed assessment was calculated is contained in the Engineer's Report and the Management District Plan.



Sec. 11. COLLECTION OF ASSESSMENTS. The City Council hereby declares that to the extent possible, assessments shall be collected at the same time and in the same manner as County ad valorem property taxes and shall be subject to all laws providing for the collection and enforcement of assessments. For properties that do not appear on the County tax rolls or for assessments for any years in which the City is unable to transmit the assessment information to the County in sufficient time for the County to collect the assessments with the County ad valorem property taxes, the City Clerk may bill and collect the assessments by mailing assessment notices (Statement of Assessment Due) to each property owner within the District at the address shown on City records. Assessments billed by the City Clerk are due 45 calendar days after the date of the Statement of Assessment Due.

Sec. 12. NOTICE, PROTESTS AND HEARING PROCEDURES. The City Clerk shall comply with the notice, protest, and hearing procedures prescribed in the Proposition 218 Omnibus Implementation Act (California Government Code, Section 53750, *et seq.*).

Sec. 13. SUMMARY OF PROCEDURES FOR COMPLETION AND RETURN OF BALLOTS. This Ordinance of Intention and a ballot (in the form of attached Exhibit A incorporated here by this reference) shall be mailed by first-class mail to each property owner in the proposed District.

The ballot may be completed by the person(s) or entity owning the property within the proposed District. To complete the ballot, the property owner should do the following: (1) verify that the information listed on the ballot is correct; (2) indicate his or her decision to either approve or disapprove of the District assessment by marking an "X" or other verifiable mark in the appropriate place; (3) sign the ballot; (4) insert the completed ballot into the secrecy envelope provided; and (5) place the secrecy envelope inside the return envelope and mail to the City Clerk's Office.

Sec. 14. PUBLIC HEARING. The City Council will hold a public hearing to determine whether to establish the District and levy assessments on \_\_\_\_\_ at 10 a.m., or as soon thereafter as City Council business permits, and on any days for continued hearing as ordered by the City Council, in the John Ferraro Council Chamber, Room 340, City Hall, 200 North Spring Street, Los Angeles, California 90012. At the public hearing, the City Council shall hear the testimony of all interested persons for or against the establishment of the proposed District, the boundaries of the proposed District, or the furnishing of specified types of improvements or activities of the proposed District.

Sec. 15. NOTICE TO RECORD OWNERS. The City Clerk shall give notice of the public hearing, in the manner specified in Government Code Section 53753, to the record owner of each parcel subject to the levy of an assessment. The notice shall be given at least 45 days before the public hearing date and shall specify that the public

hearing will be to determine whether the Council will establish the District and levy assessments.

Sec. 16. TABULATION OF ASSESSMENT BALLOTS. At the conclusion of the public hearing, the City Clerk shall tabulate all assessment ballots that have been submitted and not withdrawn. To be included in the tabulation, assessment ballots must be received by the City Clerk either at the address indicated in the notice required by Government Code Section 53753 or at the site of the public hearing prior to the conclusion of the public hearing. The City Clerk will certify the results of the tabulation to the City Council during its meeting on \_\_\_\_\_ at 10:00 a.m., or as soon thereafter as City Council business permits, in the John Ferraro Council Chamber, Room 340, City Hall, 200 North Spring Street, Los Angeles, California 90012.

Sec. 17. MAJORITY PROTEST. If there is a majority protest against the imposition of the assessment, the City Council will not impose an assessment. A majority protest will exist if the assessment ballots submitted, and not withdrawn, in opposition to the proposed assessment exceed the assessment ballots submitted, and not withdrawn, in its favor, weighting those assessment ballots by the amount of the proposed assessment to be imposed upon the identified parcel for which each assessment ballot was submitted.

Sec. 18. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of \_\_\_\_\_.

KAREN E. KALFAYAN, City Clerk


By \_\_\_\_\_  
Deputy

Approved \_\_\_\_\_

\_\_\_\_\_  
Mayor

Approved as to Form and Legality

ROCKARD J. DELGADILLO, City Attorney

By  \_\_\_\_\_  
DAVID J. MICHAELSON  
Chief Assistant City Attorney

Date 5-8-08

File No. 02-2769

**LINCOLN HEIGHTS BUSINESS & COMMUNITY  
BENEFIT DISTRICT**

**ADVISORY BOARD MEMBERS**

**Alice Corona**

**Seth Polen**

**Shirley Fiero**

**Steve Kasten**

**Ben Nazarian**